

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 164 – HB 1395

February 12, 2023

SUMMARY OF BILL: Requires the Department of Children’s Services (DCS) to provide foster parents of children 15 or older with a supplement equal to the cost of car insurance for the foster child.

FISCAL IMPACT:

Increase State Expenditures – \$2,556,000/FY23-24 and Subsequent Years

Assumptions:

- There are currently 669 females and 460 males between the ages of 15-19 in foster homes in Tennessee.
- Although car insurance can vary depending on factors such as driving history, the carrier, and discounts, for this analysis the average annual cost for car insurance is used, which, for a female between the ages of 15-19 is estimated to be \$4,409, and for a male between the ages of 15-19 is estimated to be \$5,205.
- In Tennessee, you must be at least 15 years of age to be issued a learner permit, and at least 16 years of age to be issued an intermediate driver license. Based on information from the Federal Highway Administration, approximately 61 percent of 18-year-olds and 25.6 percent of 16-year-olds had a driver’s license in 2018.
- This fiscal analysis assumes the following insurance rates:
 - 20 percent of 15-year-olds;
 - 25 percent of 16-year-olds;
 - 50 percent of 17-year-olds;
 - 60 percent of 18-year-olds; and
 - 85 percent of 19-year-olds.
- U.S. Census Bureau data on individual population estimates was utilized to break down the number of children in foster homes by age.
- The following table outlines estimated number of children in foster homes by age and sex, number of such children insured, and the estimated insurance cost that would be reimbursed by DCS pursuant to this legislation.

Age	Estimated Number in Foster Homes		Insured Estimates				Insurance Cost	
	Male	Female	Male %	Male	Fem. %	Female	Male	Female
15	91	134	20%	18	20%	27	\$ 93,690	\$ 119,043
16	94	136	25%	24	25%	34	\$ 124,920	\$ 149,906
17	96	139	50%	48	50%	70	\$ 249,840	\$ 308,630
18	91	131	60%	55	60%	79	\$ 286,275	\$ 348,311
19	88	129	85%	75	85%	110	\$ 390,375	\$ 484,990
Total	460	669	N/A	220	N/A	320	\$ 1,145,100	\$ 1,410,880
Total Estimated Cost:							\$ 2,555,980	

- For purposes of this analysis, it is assumed that the number and gender of children in foster care will remain constant.
- The recurring increase in state expenditures as a result of the proposed legislation is estimated to be \$2,555,980 in FY23-24 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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